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Agricultural Situation

New EU Constitution - Implications for Agriculture 2004

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Report Highlights:

On 29 October 2004, the Heads of State or Government of the 25 Member States of the European Union and the 3 candidate countries signed the Treaty establishing a Constitution for Europe. Changes were made to the EU institutions and voting procedures. Changes related to agriculture include increased powers for the European Parliament and specific requirements on animal welfare. The Treaty must still be ratified by the Member States before going into effect.

Includes PSD Changes: No
Includes Trade Matrix: No
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On 29 October 2004, the Heads of State or Government of the 25 Member States of the European Union and the 3 candidate countries signed the Treaty establishing a Constitution for Europe, which had been unanimously adopted by them in June this year.

The Treaty can only enter into force when it has been ratified by each of the signatory countries in accordance with its own constitutional procedures. According to the Treaty, this should happen by November 1, 2006. Ratification is expected to be difficult due to the large number of Member States which have opted to hold referendums on the Treaty. For details on how each Member State has opted to address ratification, see the following website: http://europa.eu.int/futurum/ratification_en.htm

General

European Parliament

The Constitutional Treaty sets the maximum number of seats in the European Parliament at 750, thus increasing the current number laid down in the Treaty of Nice. The minimum (6) and maximum (96) number of seats per Member State is also laid down in the Constitutional Treaty for the first time. The Constitution establishes an allocation rule rather than setting a detailed breakdown of seats between the Member States. Sufficiently in advance of the European Parliamentary elections in 2009, the European Council should adopt by unanimity, on the basis of a proposal from the Parliament, and with its consent, a decision establishing the composition of the Parliament.

European Council

The Constitutional Treaty makes a distinction between the European Council (made up of Heads of State or Government of the Member States) and the Council of Ministers (made up of Ministers in specific policy areas from the Member States). In the case of the European Council, the current six-month rotating Presidency will be replaced by a President elected by qualified majority for a term of two and a half years, renewable once. The Constitution further stipulates that the President of the European Council may not hold a national mandate at the same time. It will therefore be impossible for a sitting Head of Government of a Member State to be President of the European Council, as is the case today.

In the case of the Council of Ministers, the current six-month rotating Presidency will be maintained, but will be revisited by the European Council now that the Treaty has been signed. A declaration appended to the Final Act of the Intergovernmental Conference regarding the Treaty stated that the Presidency of the Council shall be held by pre-established groups of three Member States for a period of 18 months. The groups shall be made up on a basis of equal rotation among the Member States, taking into account their diversity and geographical balance within the Union. Each member of the group shall in turn chair for a six-month period all configurations of the Council.

Qualified Majority Voting

A new, simpler voting system for the Council was also introduced by the Constitutional Treaty. The weighting of votes, once subject to long and difficult negotiations between Member States, will be repealed. Instead of the three criteria required until now for a qualified majority (threshold of weighted votes, majority of Member States and 62% of the population of the Union), just two criteria will apply: a majority of the Member States and of the population of the Union. A qualified majority is now achieved only if a decision is supported by 55% of Member States, including at least fifteen of them, representing at the same time at least 65% of the Union's population. The Constitutional Treaty also provides

that a blocking minority must include at least four Member States. Without this clause, it would be possible for just three of the four biggest Member States (Germany, France, Italy and the United Kingdom) to form a blocking minority: their populations together represent more than 35% of the Union's current population.

This new system will take effect on November 1, 2009, the date when a new Commission will be inaugurated following the 2009 European elections. Between 2004 and 2009, the current system provided for in the Nice Treaty will be applied (see GAIN report E24022).

Agriculture

The articles relating to agricultural policy in the new Treaty do not differ significantly from the language of previous treaties. This is in itself noteworthy, as the EU's 2003 reform of its agricultural policy was hailed as a fundamental and historic change in the way the EU supports its farm sector. While the true impact of the reform remains to be seen, it did represent a shift from the EU's traditional price support model to income support de-coupled from the obligation to produce a specific product. In spite of this, the new constitution retains the same language as previous treaties regarding fair prices to farmers and increasing agricultural productivity.

European Parliament Role

The new constitution also expands the power of the European Parliament (EP) in the formulation of EU agricultural policy. Co-decision with the EP will apply to legislation (so-called European Laws and European Framework Laws) establishing the Common Market Organizations (CMOs) for agricultural products, an area previously handled through the consultation procedure. Under the co-decision procedure, the EP has full joint legislative power with the Council. Under the consultation procedure, the EP only provides a non-binding opinion. The power to adopt prices, levies, quotas and fishing opportunities within these overall CMOs remains with the Council (so-called European Regulations). The power to enact implementing rules as specifically laid out in the governing European Laws and European Framework Laws remains with the Commission as is currently the case.

The possible impact of the future EP role in agricultural policy is difficult to assess. On the one hand, as EU policy extends to other sectors and member states face budget constraints, the agriculture sector will face competition from other legitimate social concerns. On the other hand, the enlargement of the EU increases the number of farmers by nearly sixty percent while overall population will increase by only around thirty percent. Given these developments, the ability of the agricultural sector to mobilize EP support in the future remains to be seen.

Animal Welfare

The new constitution also inserts a specific provision on animal welfare. It states that in implementing European Union policies for agriculture, fisheries, transport, internal market, research and technological development and space policies, animal welfare requirements should be taken into account. However, the article goes on to provide cover for certain member states engaging in practices such as bull-fighting (in Spain) or religious rites which otherwise could be considered contrary to the protection of animal welfare. It is also important to note that the list of policies affected by this article does not include Trade. Including a requirement on animal welfare for the implementation of EU trade policy would have represented an unwelcome development for global trade talks. While the EU has pushed for the inclusion of animal welfare and other so-called "non-trade concerns," other trading partners have so far rejected this approach.

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